

 <p>Financial Assistance Award</p> <p>DENALI COMMISSION 510 L Street, Suite 410 Anchorage, Alaska 99501 (907) 271-1414 (phone) (907) 271-1415 (fax) www.denali.gov</p>		Award Number	01423-03		
		Award Title	Saint Mary's Power Plant, Bulk Fuel Storage and Mountain Village Intertie Project		
		Performance Period	February 15, 2012 through December 31, 2019		
Authority 112 Stat 1854		CFDA Number 90.100	Recipient Organization & Address ALASKA VILLAGE ELECTRIC COOP INC 4831 Eagle St Anchorage, AK 99503-7431 Phone: 907-565-5358 Recipient DUNS # 044597615 TIN # 920035763		
Denali Commission Finance Officer Certification					
Cost Share Distribution Table					
Accounting Code	New Funding		Prior Period Funding		Total
	Denali Commission	Other Contributors	Denali Commission	Other Contributors	
95670000	\$3,988,950.00		\$250,000.00		\$4,238,950.00
	\$0.00		\$0.00		\$0.00
	\$0.00		\$0.00		\$0.00
	\$0.00		\$0.00		\$0.00
	\$0.00		\$0.00		\$0.00
Alaska Village Electric Coop		\$795,560.00		\$0.00	\$795,560.00
		\$0.00		\$0.00	\$0.00
		\$0.00		\$0.00	\$0.00
		\$0.00		\$0.00	\$0.00
		\$0.00		\$0.00	\$0.00
Total	\$3,988,950.00	\$795,560.00	\$250,000.00	\$0.00	\$5,034,510.00
This Financial Assistance Award approved by the Federal Co-Chair of the Denali Commission constitutes an obligation of federal funding.					
Signature of Authorized Official - Denali Commission Electronically Signed			Typed Name and Title Mr. Jay Farmwald Director of Programs		Date 01/25/2018

AWARD ATTACHMENTS

ALASKA VILLAGE ELECTRIC COOP INC

01423-03

1. Amendment #3
2. Terms and Conditions
3. Attachment A
4. Budget and Funding Summary

Financial Assistance Award 1423
Between the Denali Commission and Village Electric Cooperative
For
St. Mary's Power Plant, Bulk Fuel Storage and Mountain Village Intertie Project
Amendment 3

All changes to the award conditions are noted below.

1. Change title of the Award to *St. Mary's Power Plant, Bulk Fuel Storage and Mountain Village Intertie Project*.
2. Replace the original Terms and Conditions in their entirety with the attached Terms and Conditions dated 12 December 2017.
3. Increase funding by \$3,988,950.
4. The Period of Performance is extended through December 31, 2019.

There are no other changes to the original Financial Assistance Award.

***Financial Assistance Award 1423
Between the Denali Commission and Alaska Village Electric Cooperative
For
St. Mary's Power Plant, Bulk Fuel Storage and Mountain Village Intertie Project
Amendment 3 – Terms and Conditions
December 12, 2017***

1. Project Summary

- a. Scope of Work: Design of a new power plant and associated bulk fuel storage facilities in Saint Mary's. Construction of an electric intertie between the communities of Saint Mary's and Mountain Village, Alaska and site work for the bulk fuel storage facilities in Saint Mary's.
- b. Deliverables: Design documents, completed electric intertie, and completed site improvements for a bulk fuel storage facility.
- c. Budget: The Commission is making a total of \$4,238,950 available for the project via this Financial Assistance Award (Award); \$250,000 via the original award, and \$3,988,950 via Amendment 3. The Commission previously made \$53,645 available for this project under Award 1347. The Alaska Village Electric Cooperative (AVEC) construction match and design funds in the amount of \$795,560 are also being made available for the project. In addition to Commission and AVEC funds, \$8,589,038 has been made available from other sources. The amount being made available by the Denali Commission includes all direct and associated indirect costs. All Commission funding is intended to be used for the scope of work identified in the FAA only. Any funds remaining after the full scope of work has been completed shall be returned to the Denali Commission consistent with 2 CFR 200.319.

- d. Delivery Method: Construction of the intertie will be completed through a competitively bid contract that is consistent with the Commission's Competitive Bid Policy.

Construction Administration services will be provided by CRW Engineering Group, LLC under an amendment to their design contract for the project.

The Denali Commission and AVEC shall review and approve the final design documents and participate in the general contractor selection process.

- e. Performance Period: The Period of Performance for this FAA ends December 31, 2019. In accordance with 2 CFR 200.309 Recipients can only incur obligations or costs against this FAA during the Period of Performance, unless specifically authorized in the Special Provisions (Section 14 of this document). If a project cannot be completed within the approved Period of Performance, an extension request must be made in accordance with the Commission's *Recipient Guidelines and Requirements* (RGR) document dated July 2015, available at www.denali.gov.

More detailed information on scope, deliverables, budget, funding, project delivery method and/or management plan, schedule and key milestones are included in Attachment A dated December 12, 2017.

2. Project Reporting and Commission Site Visits

Progress reports and a close-out report are required under this FAA. Progress Reports shall be submitted at the frequency stipulated in the Special Provisions. The Closeout Report shall be completed

within 90-days of the end of the Period of Performance. All reports must be submitted using the Denali Commission's on-line Project Database System, available at www.denali.gov/dcpdb.

Commission staff or agents of the Commission may make visits to the project site and/or home office to monitor progress during and/or after the Period of Performance. The Recipient shall coordinate and make information available as necessary to facilitate any such site visits.

Refer to the *Recipient Guidelines and Requirements* document for further information related to reports and site visits.

3. Payments

Payments under this FAA will be made in accordance with 2 CFR 200.305 by electronic transfer in response to a Standard Form 270 (SF-270) "Request for Advance or Reimbursement", submitted by the Recipient. At a minimum, all 270's must include summary cost information on labor, materials, contracts/consultants, and indirect costs. Detailed documentation is required for any single expenditure greater than \$50,000. If Pre-award Costs and/or Advance Payments are authorized under this FAA, the Special Provisions will indicate so. Requests for reimbursements may be made as needed. Refer to the *Recipient Guidelines and Requirements* document for further information about submitting SF-270's.

4. Modifications

In accordance with 2 CFR 200.308, the Recipient shall report deviations in project scope, budget, delivery method, management plan, schedule, or changed site conditions, and request prior approvals from the Program Manager. The Recipient shall also submit written requests to the Program Manager for the replacement of Key Staff identified in the Special Provisions. Refer to the *Recipient Guidelines and Requirements* document for further information about modifying a Financial Assistance Award.

5. Financial Management, Record Keeping, Internal Controls, and Audits

The Recipient must have financial management and record keeping systems that are consistent with 2 CFR 200.302. If the Recipient is a State organization it must expend and account for FAA funds in accordance with applicable State laws and procedures for expending and accounting for the State's own funds.

The Recipient must establish and maintain effective internal controls with respect to this FAA that are consistent with 2 CFR 200.303.

In accordance with 2 CFR 200.501, Recipients that expend \$750,000 or more of federal funds in a year shall have a single or program-specific audit conducted for that year.

Refer to the *Recipient Guidelines and Requirements* document for further information about financial management, record keeping, internal controls and audits.

6. Direct and Indirect Costs

All direct costs must be allowable and reasonable. Indirect costs must be allocable based on accepted accounting policies and practices. Indirect costs must be specifically included as a line item or identified with appropriate notes in the approved FAA budget. Refer to 2 CFR 200 Subpart E (Cost Principles) and the *Recipient Guidelines and Requirements* document for further information on direct and indirect costs.

7. Sub-Awards and Contracts

All sub-awards and contracts issued by the Recipient under this FAA must comply with 2 CFR 200.331 and Appendix II to 2 CFR 200. Refer to the *Recipient Guidelines and Requirements* document for further information on this subject.

8. Acknowledgement of Support

The Recipient shall name the Denali Commission as a financial contributor and project/program partner in all media correspondence related to the work supported by this FAA. If Commission funds are used for construction, the Recipient shall also display a sign at the construction site that acknowledges the Commission's support. Refer to the *Recipient Guidelines and Requirements* document for further information on this subject.

9. Real and Personal Property

In accordance with 2 CFR 200.311, 313, and 316 the Denali Commission may require the Recipient to execute a security interest or other public notice of record to indicate that real or personal property acquired or improved, in whole or in part, with Federal funds is subject to a Federal interest. Any such requirements under this FAA, including post project reporting in accordance with 2 CFR 200.329, will be stipulated in the Special Provisions.

10. Conflict of Interest

In accordance with 2 CFR 200.112, the Recipient must disclose in writing any potential conflicts of interest to the Commission. In addition, 2 CFR 200.318 requires that Recipients maintain written standards of conduct covering conflicts of interest and governing the performance of their employees engaged in the selection, award, and administration of contracts. Refer to the *Recipient Guidelines and Requirements* document for further information on this subject.

11. Denali Commission Policies

Recipients may be required to comply with certain published Denali Commission policies which can be found in the *Recipient Guidelines and Requirements* document. Applicable policies are referenced in the Special Provisions of this FAA, and specific requirements/deliverables (if any) are stipulated in Appendix A.

12. Laws and Regulations

Recipients are required to comply with all applicable Federal laws and regulations. General categories of potentially applicable laws and regulations are summarized below. Refer to the *Recipient Guidelines and Requirements* document for further information on specific laws and regulations that may apply.

- a. Debarment and Suspension
- b. Whistle-blower Protection
- c. Non-Discrimination
- d. Lobbying and Propaganda
- e. Environmental
- f. Drug-Free Workplace
- g. Travel

- h. Human Rights
- i. Animal Welfare
- j. Executive Compensation

13. Other Provisions

- a. The United States expressly disclaims any and all responsibility or liability to the Recipient or sub-recipients for the actions of the Recipient or sub-recipients resulting in death, bodily injury, property damages, or any other losses resulting in any way from the performance of this FAA, including sub-awards, contracts, or sub-contracts issued in connection with this FAA.
- b. To the maximum extent practicable, considering applicable laws, the Recipient shall accomplish the project contemplated by this FAA using local Alaska firms and labor.
- c. All terms and conditions contained in this FAA apply to any sub-recipient under this FAA.
- d. Failure to comply with the provisions of this FAA or maintain satisfactory performance may result in additional FAA conditions pursuant to 2 CFR 207. This includes but is not limited to: temporarily withholding of payments pending the correction of the deficiency; disallowance of project costs; wholly or partially suspending or terminating the FAA. In addition, failure to comply with the provisions of this FAA may also have a negative impact on the Recipient's eligibility for future Federal awards.

14. Special Provisions

Progress Reports: Shall be submitted on a quarterly basis in accordance with the Commission's *Recipient Guidelines and Requirements*.

Pre-award Costs: N/A

Key Staff: Forest Button, Onya Stein, Alden Worachek

Federal Property Interests and Reporting Requirements: Apply per 2 CFR 200.329. Reporting will be biennially, to begin at the end of the performance period.

Bonds and Insurance: The contracts awarded by AVEC for construction of the facilities and improvements will include payment and performance bonds. The Denali Commission shall be named as an Additional Insured on the Liability Insurance Policy of the General Contractor(s) retained by AVEC to construct the facilities and improvements.

The Denali Commission shall be named as an Additional Insured on the Liability Insurance Policies of AVEC and their professional services consultant/contractor.

Cooperative Agreement: The Recipient agrees to cooperate and collaborate with the Denali Commission during the project. The Commission will participate in those specific activities stipulated in Attachment A.

15. Program Manager, Financial Manager & Other Contact Information

Denali Commission	Alaska Village Electric Cooperative
Tom Wolf Program Manager 510 L Street, Suite 410 Anchorage, AK 99501 Phone: 907-271-5232 Fax: 907-271-1415 E-mail: twolf@denali.gov	Forest Button Project Manager 4831 Eagle Street Anchorage, AK 99503 Phone : 907-646-5961 Fax : 907-562-4086 E-mail: fbutton@avec.org
Janet Davis Grants Management Officer 510 L Street, Suite 410 Anchorage, AK 99501 Phone: 907-271-3036 Fax: 907-271-1415 E-mail: jdavis@denali.gov	Meera Kohler President and CEO 4831 Eagle Street Anchorage, AK 99503 Phone : 907-561-1818 Fax : 907-562-4086 E-mail: mkohler@avec.org

***Financial Assistance Award 1423
Between the Denali Commission and Alaska Village Electric Cooperative
St. Mary's Power Plant, Bulk Fuel Storage and Mountain Village Intertie Project
Saint Mary's, Alaska
Amendment 3 – Attachment A
December 12 2017***

Scope of Work

Background: A statewide intertie study funded by the Denali Commission and completed by AVEC found it economically beneficial to electrically intertie Saint Mary's and Mountain Village. Since the intertie was determined to be feasible, the Commission funded a 35% concept design and cost estimate for the construction of the intertie. Then with the assistance of a Community Development Block Grant from HUD, AVEC completed the final design of the intertie. The Commission also funded the start of the design process for the new Saint Mary's power plant and the associated bulk fuel storage facility upgrades.

Coinciding with the design and construction of the intertie, has been the design and construction of a 900kW wind turbine that will be integrated with the new Saint Mary's power plant. The wind turbine project has been funded primarily by grants from AEA and DOE.

Tasks: Complete and integrate a new 15-mile intertie between the communities of Saint Mary's and Mountain Village, Alaska. The project is part of an effort to reduce operating costs and increase efficiency by connecting communities together via an electrical intertie. The scope will include all required construction permits and environmental clearances to complete the intertie construction, modify the distribution system, civil site work for the Saint Mary's upgraded bulk fuel storage facilities, and design of a new Saint Mary's power plant and bulk fuel storage facility upgrades to incorporate the intertie.

AVEC shall supply NEPA documentation consistent with the Denali Commission policies and procedures published in 45 CFR Part 900 on October 1, 2016. The documentation shall cover the intertie project and all other related construction supported via this Financial Assistance Award. No construction activities may commence until the NEPA process is complete.

Deliverables

- Final design documents and intertie between and Saint Mary's and Mountain Village, Alaska
- Distribution system modifications
- Site improvements and gravel pad for the Saint Mary's upgraded bulk fuel storage facilities
- New Saint Mary's power plant facility design documents
- Saint Mary's bulk fuel storage facilities upgrade design documents
- A final report detailing the entire project and outcomes

Budget

See attached Budget and Funding Summary dated December 12, 2017. Based on the November 2017 CRW construction estimate, additional funds may be needed to complete the intertie to Mountain Village. AVEC will bid the intertie portion of the project with a “pending availability of funds clause”. They are also applying for a HUD CDBG grant to cover a shortfall in the intertie portion of the project in the event bids are in excess of the current funds available.

Additional funds will be required in the future to complete the construction of the Saint Mary’s power plant, bulk fuel storage facility and convert the Mountain Village power plant to a standby module.

Delivery Method

AVEC will provide project management services with in-house staff. AVEC will contract for the construction of the intertie, the new power plant and associated bulk fuel storage facility upgrades in Saint Mary’s. AVEC will complete the distribution system upgrade with in-house resources.

Construction Administration services will be provided by CRW Engineering Group under an amendment to their existing design contract for the project.

The Denali Commission shall review and approve the final design documents and participate in general contractor selection process.

Schedule

Key project milestones are summarized below:

Complete Design and Permitting: January 2018

Selection General Contractor: March 2018

Construction Complete: October 2019

Project Close-out: December 2019

BUDGET				
Line	Item	Provided By	Amount	Basis/Notes
1	Power Plant and Bulk Fuel Storage Facility			
2	Design Phase			
3	Preliminary Planning	AVEC	\$23,100	210 hrs @ \$110/hr burdened rate
4	Project Management	AVEC	\$20,000	100 hrs @ \$110/hr burdened rate, plus \$9,000 travel allowance
5	Design/Permitting/Geotech	CRW	\$434,000	CRW Contract dated 10/05/2017
6	Engineering/Operations Design Review	AVEC	\$14,500	100 hrs @ \$145/hr burdened rate
7	AVEC Labor Contingency	AVEC	\$8,400	76 hrs @ \$110/hr burdened rate
8		Subtotal	\$500,000	
9	Construction Phase			
10	BFU Site Prep. Project Management	AVEC	\$25,800	180 hrs @ \$110/hr burdened rate, plus \$6,000 travel allowance
11	BFU Site Prep. Construction	Contractor	\$1,397,000	AVEC estimate dated 21 September 2017
12	BFU Site Prep. Construction Administration	CRW	\$55,000	440 hrs @ \$125/hr burdened rate; 4% of line 11
13		BFU Site Prep. Subtotal	\$1,477,800	
14	All Other Construction	AVEC, Contractor, CRW	\$13,203,000	Preliminary estimate by AVEC dated 11/27/2017 based on Togiak construction estimate for all other BFU/RPSU work including PM, Const. and CA; Assume separate procurement for BFU Site Prep. Contract
15		Construction Phase Subtotal	\$14,680,800	
16	Indirect Costs ^a	AVEC	\$16,680	10% of lines 3, 4, 6, 7, 10; 10% of first \$25,000 of lines 5 + 12; 10% of first \$25,000 of lines 11, 14
17		Total	\$15,197,480	
18	Wind Integration			
19	Design	AVEC, CRW, EWT	\$309,998	Design is complete, turbine ordered FOB Port of Seattle April 2018. Road, pad, and foundation complete. Turbine installation and commissioning scheduled for 3Q2018.
20	Construction	AVEC, Contractor, CRW	\$5,127,540	
21		Total	\$5,437,538	Fully funded by AEA, DOE and AVEC
22	Mountain Village Intertie			
23	Design Phase			
24	Preliminary Design	CRW	\$53,645	Final actual costs via Award 1347; indirect admin. costs paid via a separate Award
25	Final Design	CRW	\$185,500	Fully funded by HUD via a Community Development Block Grant
26		Subtotal	\$239,145	
27	Construction Phase			
28	Project Management	AVEC	\$100,300	730 hrs @ \$110/hour burdened labor rate, plus \$20,000 travel allowance
29	Intertie Construction	Contractor	\$6,850,000	November 2017 estimate by CRW; includes 7.5% escalation factor
30	Distribution System Improvements	AVEC	\$300,000	July 2017 estimate by AVEC based on historical costs for the Emmonak - Alakanuk Intertie
31	Construction Administration	CRW	\$125,000	1,000 hrs @ \$125/hr burdened rate; 2.3% of line 29
32		Subtotal	\$7,375,300	
33	Indirect Costs ^a	AVEC	\$42,530	10% of lines 28, 30; 10% of first \$25,000 of line 29; see note b
34		Total	\$7,656,975	

35

Grand Total \$28,291,993**Additional Notes:**

a. AVEC does not have a federally negotiated indirect rate; use 10% diminimus rate in 2 CFR 200.414. The 10% rate will be applied to eligible reimburseble direct costs submitted by AVEC to the Denali Commission pursuant to this FAA.

b. Assume line 29 construction performed by a new contractor (not the same as for BFU/RPSU); assume line 31 CA performed under existing CRW contract therefore no additional indirect allowed.

FUNDING				
Line	Source	Reference	Amount	Notes
36	Power Plant and Bulk Fuel Storage Facility			
37	Design Phase			
38	Denali Commission	1423	\$250,000	Original Award, initial funding for St. Mary's RPSU/BFU design
39	Denali Commission	This Action	\$250,000	Use TAPL funds
40	Subtotal		\$500,000	
41	Construction Phase			
42	Denali Commission	This Action	\$1,182,240	80% of line 13; use \$1,182,240 of TAPL funds
43	AVEC Match	This Action	\$295,560	20% of line 13; final required match amount to be reconciled/verified at project closeout based on total actual construction costs
44	Subtotal		\$1,477,800	
45	Indirect Costs			
46	Denali Commission	This Action	\$14,180	line 16 less the \$2,500 of indirect included in line 16 for the future construction subcontract; use Base funds; final allowable indirect costs to be reconciled/verified at project closeout based on total actual direct costs
47	Total		\$1,991,980	
48	Wind Integration			
49	AEA, DOE	AVEC Files	\$5,403,538	
50	AVEC	AVEC Files	\$34,000	
51	Total		\$5,437,538	
52	Mountain Village Intertie			
53	Design Phase			
54	Denali Commission	Award 1347	\$53,645	Separate original award for preliminary intertie design
55	HUD	CDBG	\$185,500	HUD grant for final Intertie design
56	Subtotal		\$239,145	
57	Construction Phase			
58	RUS Grant to AVEC	AVEC Files	\$3,000,000	41% of line 32
59	Denali Commission	This Action	\$2,500,000	34% of line 32; use \$2,500,000 of Base funds
60	AVEC Match	This Action	\$500,000	20% of line 59; final required match amount to be reconciled/verified at project closeout based on total actual construction costs
61	Subtotal		\$6,000,000	
62	Indirect Costs			
63	Denali Commission	This Action	\$42,530	Use Base funds; final allowable indirect costs to be reconciled/verified at project closeout based on total actual direct costs
64	Total		\$6,281,675	
65				
66	Total New Commission Funding via This Action		\$3,988,950	
67	Total AVEC Match via This Action		\$795,560	
68	Total Commission Funding Under this Award as of This Action		\$4,238,950	
69	Commission Funding Under Other Prior Awards		\$53,645	
70	Total Non-Commission & Non-AVEC Funding as of Date of This Action		\$8,589,038	
71	Grand Total Funding as of Date of This Action		\$13,677,193	
72	Current Shortfall		\$14,614,800	